

105TH CONGRESS
1ST SESSION

H. CON. RES. 97

Expressing the sense of the Congress that the alternative minimum tax requiring all corporations and individuals with substantial economic income to pay at least a minimum amount of taxes should be retained.

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 1997

Mr. HINCHEY (for himself, Mr. BONIOR, Mr. OBEY, Mr. SPRATT, Mr. EVANS, Mr. CLAY, Mr. CONYERS, Mr. WYNN, Mr. MEEHAN, Mr. SERRANO, Ms. DEGETTE, Mr. SANDERS, Mr. FATTAH, Mr. FILNER, Ms. SLAUGHTER, Ms. WATERS, Mr. DELAHUNT, Mrs. MEEK of Florida, and Mr. NADLER) submitted the following concurrent resolution; which was referred to the Committee on Ways and Means

CONCURRENT RESOLUTION

Expressing the sense of the Congress that the alternative minimum tax requiring all corporations and individuals with substantial economic income to pay at least a minimum amount of taxes should be retained.

Whereas a fundamental principle of the American tax system is to raise revenue on individuals and corporations in relation to their ability to pay;

Whereas a fundamental principle of the American tax system is to encourage certain types of economic activities beneficial to society through the creation of various tax preferences;

Whereas these two fundamental principles conflict when tax preferences are abused by individuals and corporations to entirely avoid tax liability;

Whereas the public good is harmed in instances in which corporations and individuals with substantial economic income pay little or no taxes;

Whereas the alternative minimum tax was created under section 55 of the Internal Revenue Code on a bipartisan basis in 1986 to ensure that no taxpayer with substantial economic income avoids significant tax liability by using exclusions, deductions, and credits;

Whereas the alternative minimum tax requires thousands of profitable corporations and individuals to pay Federal income taxes each year that would otherwise have little or no tax liability;

Whereas the alternative minimum tax has resulted in over \$40 billion revenues since its enactment;

Whereas small businesses are protected from tax liability under the alternative minimum tax due to the \$40,000 exemption;

Whereas the alternative minimum tax was recently improved and streamlined by Congress under the Omnibus Budget Reconciliation Act of 1993;

Whereas repeal of the alternative minimum tax would allow thousands of large, profitable firms to evade paying any income taxes in a given year;

Whereas repeal of the alternative minimum tax would deplete the Treasury of an estimated \$34 billion over 10 years according to the House-Senate Joint Committee on Taxation; and

Whereas stories of wealthy corporations and individuals who escape paying income taxes would reduce the willingness of other taxpayers to comply with tax laws: Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
 2 *concurring)*, That the current alternative minimum tax on
 3 profitable individuals and corporations should remain
 4 wholly intact as part of the Tax Code.

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